

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR): (a) to (d) The details of action taken by the Government on the report of the Joint Parliamentary Committee (JPC) on irregularities in securities transactions are given in the Action Taken Report laid in the Parliament in 1994. The status reported to Parliament in the Summary of action taken by Government in the revised Paragraphs of the Action Taken Report on the JPC Report in December, 1994 is as follows:-

"The position in respect of some areas where Government/RBI have not been able to accept the recommendations regarding system reforms made by the Joint Parliamentary Committee is as follows:-

- (i) The JPC had recommended a prohibition of Portfolio Management Scheme (PMS) transactions by PSUs. After full consideration the Government is of the view that PSUs may have a need to deploy resources temporarily in PMS type operations and therefore a complete ban may not be workable, but the Government has responded to the JPC's concern about the misuse of this facility by laying down new guidelines to be followed by PSUs engaging in investment operations which will prevent misuse.
- (ii) The JPC had recommended that the practice of having RBI nominee directors on the Boards of the banks be dispensed with. After full consideration the Government's view is that in the present circumstances, when the banking industry is going through an important transition there is a need for continuing with the RBI nominee on the boards of banks.
- (iii) In the light of substantial penal action taken against foreign banks, the Reserve Bank of India have indicated that they are not in favour of taking the extreme step of cancelling or suspending the licences of foreign banks involved in securities irregularities. Government agrees with the view of RBI.

On many other points the Government has amplified and clarified its response in the light of comments received to remove any appearance of disagreement with the report of the JPC, and also to clarify the position in the light of queries and comments by Members of the Opposition."

Premium Collected/Invested By LIC

3323. SHRI BHAGWAN SHANKAR RAWAT: Will the Minister of FINANCE be pleased to state:

(a) the total amount of premium collected by Life Insurance Corporation from the policy holders in Uttar Pradesh during each of the last two years; and

(b) the amount invested in development work by LIC in State during the above period?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR): (a) and (b) The requisite information as furnished by the Life Insurance Corporation (LIC) of India is as under:-

Year	Amount of Premium	Amount of Gross Investments made (Rs. in Crore)
1994-95	1135.58	656.98
1995-96	1331.43	350.38

Nominee Director on Board of Nationalised Banks

3324. SHRIMATI GEETA MUKHERJEE: Will the Minister of FINANCE be pleased to state:

(a) whether a number of posts of officer and employees nominee directors are vacant in a number of banks as the tenure of officer-nominee directors have expired;

(b) if so, the details of such banks; and

(c) the steps taken by the Government for the appointment of officers-employee Directors on the Board of the Banks?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR): (a) and (b) The post of officer employee director is presently vacant in five nationalised banks. In six other nationalised banks the tenure of officer employee director has expired but they are continuing to hold directorship in terms of the provisions of the statute, pending appointment of their successors. The names of these banks are Allahabad Bank, Andhra Bank, Bank of Baroda, Bank of Maharashtra, Central Bank of India, Corporation Bank, Indian Bank, Punjab and Sind Bank, Union Bank of India, UCO Bank and Syndicate Bank.

(c) The nomination of officer employee directors on the boards of nationalised banks are made in accordance with the criteria and procedure prescribed in the relevant statutes and Government's guidelines in this regard. In the light of representations, reexamination of these guidelines is considered necessary before further action is taken in this regard.

Assistance to Rural Beneficiaries for Small Enterprises

3325. DR. ASIM BALA: Will the Minister of FINANCE be pleased to state:

(a) the financial assistance provided to the rural beneficiaries for small enterprises during the year 1996-97; and

(b) the total number of beneficiaries who were provided assistance from the bank, State-wise?